

Congress of the United States
Washington, DC 20515

September 27, 2010

The Honorable Barack Obama
President of the United States
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Mr. President:

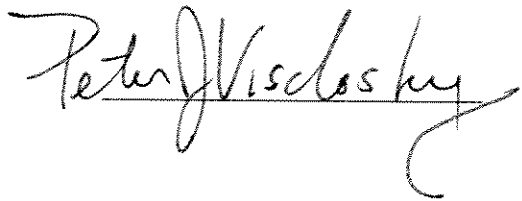
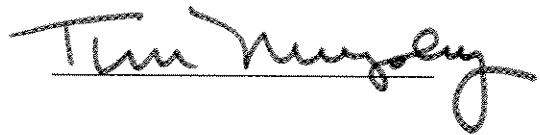
We write today as Chairman and Vice-Chairman of the Congressional Steel Caucus in support of the petition filed by the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Services Workers International Union under Section 301 of the Trade Act of 1974 on September 9, 2010. This petition requests the Office of the United States Trade Representative to investigate China's illegal and unfair trade practices in the renewable energy sector. We urge your Administration to take swift and aggressive action to stop China's anticompetitive program wreaking havoc on American manufacturers of solar, wind, biomass, geothermal, hydropower, nuclear, advanced batteries, and other green technologies.

The petition claims that over 80 Chinese laws, regulations and practices violate World Trade Organization rules by providing China's manufacturers of renewable energy technologies with an illegal and unfair competitive advantage in the global marketplace through export subsidies of Chinese goods, export restrictions on rare earth elements needed by other countries to make green technologies, and preferential treatment of companies operating in China that use Chinese-made equipment. Chinese manufacturers already operate at an advantage to American companies because of China's cheap labor, lack of environmental standards, and undervaluation of the yuan by as much as 40 percent. When export subsidies, export restrictions, and other illegal and unfair trade practices are added to the mix, it is simply impossible for any manufacturer to effectively compete, no matter how innovative the business or efficient the workforce.

With the help of its anticompetitive measures, China has rapidly positioned itself to produce more than half the world's solar panels and nearly half the world's wind turbines this year -- and it has done so at the expense of American workers. The *New York Times* recently reported that, due to China's predatory practices, BP laid off all its employees at its solar panel factory in Frederick, Maryland, to expand a joint venture in China, while Evergreen Solar will eliminate 300 American jobs from its solar panel plant in Devens, Massachusetts, to move its operations to China next summer. Disturbingly, this trend is growing in other industries as well. According to the *Washington Post*, the last major General Electric factory making ordinary incandescent light bulbs in the United States is closing this month, and the remaining 200 workers will lose their jobs, which will move to China. GE concluded that even with automation and a \$40 million investment to retrofit the plant to produce next generation, energy-efficient compact fluorescent light bulbs, the new plant's products would have cost about 50 percent more than those produced in China.

The renewable energy sector is just the latest in a long line of manufacturing industries being undercut by China's illegal and unfair trade practices. Not surprisingly, China's anticompetitive behavior is paving the way for it to take over as the top manufacturer in the world next year, a title the U.S. has held for more than a century. China will reach this goal not because its workers are any better than ours, or because it's any better at manufacturing than us, but because it cheats. Your Administration has already taken significant action against China on behalf of the tire, raw materials, financial services, and steel products industries. We urge you to do the same on behalf of America's renewable energy industry and the workers it supports, and to ensure that our nation's trade enforcement personnel have all necessary resources to protect America's manufacturers from China's anticompetitive practices in the future.

Sincerely,

Handwritten signature of Peter J. Viscolesky in black ink, featuring a stylized 'P' and 'V'.Handwritten signature of Tim Murray in black ink, featuring a stylized 'T' and 'M'.